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COLLEGE OF AGRICULTURE AND NATURAL RESOURCE

DEPARTMENT OF AGRICULTURAL ECONOMICS

DETERMINANTS OF UNEMPLOYMENT IN CASE OF WOLISO TOWN

**A SENIOR RESEARCH PROJECT SUBMITTED TO AGRICULTURAL
ECONOMICS: IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE
BSc DEGREE IN AGRICULTURAL ECONOMICS**

BY

ID

1. SULEIMAN ADEM

AGR/267/09

2. SIRAYE ALIMIRAW

AGR/266/09

ADVISOR: SEBLE TADESSE (MSc.)

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ABBREVIATIONS AND ACRONOMY

CSA	Central Statistical Agency
CU	Cyclical Unemployment
FU	Frictional Unemployment
GDP	Gross Domestic Product
GNP	Gross National Product
ILO	International Labor Organization
LF	Labor Force
MOE	Ministry of Education
NGO	Non-Governmental Organization
NLFS	National Labor Force Survey
PHCE	Population and Housing Census of Ethiopia
PPS	population proportion selection
SU	Structural Unemployment
TU	Total Unemployment
UR	Unemployment Rate

ABSTRACT

This paper is entitled to determinants of unemployment in Woliso town. The rationale behind this paper is that unemployment has a negative effect on socio-economic development of any country. Its challenge is also still increase in Woliso town. The aims of this study were to identify the determinants of unemployment in Woliso town. The study has been conducted in two kebeles and 100 sample sizes of the respondents were taken from both kebeles by using probability proportional to sample size-sampling technique. In this study, both primary and secondary data have been used. The data was analyzed by using descriptive statics and analysis by using SPSS, frequency and percentage. The result showed that, Even if there maybe overlaps and its however, difficult to mention all of the majority of them far from education system, over growing rural-urban migration and non-work status of the society in agriculture. One of the basis that human life needs to fulfill its basic requirement in his/her access to work. Work is also source of knowledge and health which as a result requires man to work. Those persons that don't have access to both formal and informal sector employment of the economy engaged in bad way of life. Therefore, in order to reduce unemployment in the area, the government and other development practitioners must run any kind of investment and create job opportunity for the society.

Keywords: Unemployment, Woliso

1. INTRODUCTION

1.1. Back Ground of the Study

Unemployment is a key measure of economic health. It is a major factor in determining how healthy an economy is; if the economy maximized efficiency, everyone would be employed at some wage. An unemployed individual is both unproductive and a drain on society's resources. However, while unemployment seems a basic statistic – the number without jobs divided by those with jobs; the issue is anything but, Unemployment is a powerful statistic that shapes government policy and personal decisions (Rotheim, 2007).

Unemployment is one of the challenges facing today's world, Coupled with the population growth and increased poverty, it has a significant impact on growth and development at large. It causes a waste of economic resources such as productive labor force and affects the long run growth potential of an economy and it gives rise to privet and social problems in the society (Rafik *et al.*, 2 010 and Eita *et al.*, 2010).

Unemployment (joblessness) occurs when people are without work and actively seeking work. The unemployment rate is a measure of the prevalence of unemployment and it is calculated as a percentage by dividing the number of unemployed individuals by all individuals currently in the labor force. During periods of recession, an economy usually experiences a relatively high unemployment rate. According to International Labour Organizations report, more than 197 million people globally are out of work or 6% of the world's work force were without a job in 2012 (ILO, 2013).

Unemployment in developing countries of Africa is a fundamental part of active labor force, which means the state of being out of work relates directly to an economy's ability to supply jobs for its workers. It studies involve the problems of measurements, the different kinds of unemployment as well as the concept of full employment (Clayton brown, 1983 and WB, 2007).

High population growth, increasing rural urban migration and low level of economic growth present high unemployment level. The prospect of unemployment in developing countries, especially in sub Saharan Africa has worsened because of high population growth and low level of economic growth and also other reasons. (CSA, 2005).

Unemployment may be defined as a situation in which people who are qualified for a job willing to work and to accept the going wage rate cannot find job without considerable delay (Sharp Register Left Witch, 1990). Unemployment in Ethiopia are thus in the range of working age who are available for work and have actively sought employment but unable to get job at existing wage (Romer, 2005).

Unemployment is apolitically charged issue and in studying business cycle, employment and unemployment top the list of concerns. Unemployment arises for a number of reasons, separating the different causes of unemployment are important because treating the problem requires that we correctly diagnose of its source either frictional, structural or cyclical which are kinds of unemployment (Henderson Pool, 2000).

Unemployment rate as registered in urban biannual employment and unemployment survey of October (2003) and April (2004) was (22.9%) respectively. In the march (2005) NLFS and April (2006) employment un employment survey, the rate had further declined to 20.62% and 16.7% respectively decline in the unemployment could occur either duo to creation of new jobs or in the proportion of persons attending school instead of search for job (Ayel,2006). In Ethiopia, the year 2007 population and housing census, the urban unemployment rate was 26.4 percent (CSA, 2007).

Different types of unemployment have their respective determinants. In general terms unemployment depends on the compared dynamics of labor demand and population in particular active population .i, either population willing to work in percentage of the total population in certain age range.(kalim.R, 2003). Depression apathy lack of self confidence is common individual effect of unemployment. Helping them in to find again the motivation to search and keep a job to take their own life trajectory is one of the difficult tasks of labor supporting agencies A.ptitorius (2008).

1.2. Statement of the Problem

Unemployment was one of the major prevailing social and economic problems in almost all countries of the World which every country should fight against. Africa particularly Ethiopia is confronted with this problem that has been extremely challenging. Unemployment contributes to under development because it represents under-utilization of the productive potential country (Jacobson, 1979).

Unemployment involves a serious problem which affects the wellbeing of individual as well as limitation in access of job opportunity and the rapid growing size of the labor force; poor to modest micro-economic performance, low level of job creation low level of aggregate demand in the economy are the source for unemployment (Astatike, 2012).

The rise of unemployment in urban areas is creating a problem on economic, social and political aspects of the society. Unemployment reduces productivity of an economy. If there is a prevailing unemployment, it leads to inefficient usage of resources. On the other hand unemployment brings unequal income distribution among the society. Those employed in average gains higher income than those who are unemployed.

The prevailing unemployment also comes up with high dependency ratio which had to low social welfare. The other unemployment related problems like security problems including robbery, theft, and other criminal acts are also committed as a result of unequal income distribution. The unemployed have also low access to different facilities because of their in average low income.

In developing countries especially in Ethiopia, pattern of unemployment rate is increased; because of major contributing factors to high rate of unemployment are rural-urban migration, increasing number of the youth force, and literacy (Todaro, 2006 and WB, 2007).

Ethiopia is characterized by high growth in population and almost a subsistence economy. Unbalanced growth between the population and the economy has an effect on employment and growing labor forces that tended to increase unemployment. Because of this high population growth resulted from internal migration, unemployment problem is becoming more acute in the country and reaching its alarming stage in woliso town. And also unemployment

rate in woliso town is 7.22% in 2005 and 8.6% in 2005 (woliso town administration report, 2007).

The woliso town as one of the town in Ethiopia has been affected by the challenging problem of unemployment. Internal migration that enlarged the woliso town population, There are around 25,458 inhabitants today, regarded as the major contributor to the creation of large number of unemployed labor force in different years 850 in 2002, 1050 in 2005 jobless labor forces were registered in the town of woliso (woliso town administration, report, 2010).

The overall incident that is why the town nowadays it confined with a large number of unemployed and since there is no unemployment benefits, unlike it is in the case of developed countries, the unemployed are enjoying a life which is very much tragic even if labor force is one of the factors of production, Ethiopia did no exploit it efficiently.

However, studies on the determinants of unemployment in woliso town are not yet made; this is the problem that initiates us to make study on the specified subject.

This paper tries to examine the major determinants and its relationship with unemployment specifically in woliso town.

1.3. Objective of the Study

1.3.1. General objective

The general objective of this research is to investigate determinants of unemployment in woliso town

1.3.2. Specific objective

- To assess the major causes of unemployment types in woliso town
- To identify the costs of unemployment in the study areas.

1.4. Research Question of the Study

What are the determinants of unemployment in woliso town?

What are the costs of unemployment in the study areas?

1.5. Scope of the Study

By taking the problem of time, budget/finance and other related materials in to consideration the study was gave more emphasis on determinants of unemployment in woliso town and with its three Kebele with 91 households.

1.6. Limitation of the Study

One that is the most limiting factor for the study is that the data requirements not fully satisfied due to the lack of time series data on unemployment which may make the study partial in coverage and unreliable in some circumstances. These inadequacies of data problem of access to information, and shortage of time have effect on quality and coverage of the study. Hence, it is obligation to concentrate on available data only and give conclusions and suggestions based on it.

1.7. Significance of the Study

The significance of the study is to aware more about determinants of unemployment to policy makers and other concerned bodies. It would be used to capture concerned information for NGOs, investors and other organizations to set-up policy and strategy in relation to unemployment. It may also be a source of information or as reference for future research.

2. LITERATURE REVIEW

2.1. Theoretical Review

2.1.1. Definition of terms

Unemployment is a means in which people who are qualified for a job, willing to work and willing to accept the going wage rate but cannot find job without considerable delay. Full unemployment is the lowest possible employment rate with the economy growing and all factors of production being used as possible (Olsson, 2009) but, Natural rate of unemployment (equilibrium) is defined as when the unemployment rate at which there niter excess supply in the over labor market, or it was occur in the long run if expected and actual real rates inflation equal (Dustin, 2012).

2.1.2. Meaning, Concept and Types of Unemployment

2.1.2.1. Meaning of Unemployment

Unemployment defined as a situation in which people who rare qualified for jobs, willing to accept the going wage rate cannot find jib without considerable delay and it is a portion of the labor force that is without a job but it is actively searching for a job (Man kin, 2002).

Unemployment is a central problem in the modern societies and that influence the economy of one country and it gives rise to crime, suicides, poverty related prostitution (Rafik.*et al.*, 2010). It is the number of population in the working age with jobs and those who are actively seeking job but failed to find it (Eita *et al.*, 2010).

According to fair child (2009) unemployment is defined as the state of involuntary utilization of human resources. Also it is able to find work under comparative market and painfulness rather the freedom to do things that are for one self or neighbor. Unemployment (joblessness) occurs when people are without job and they have actively sought work within the past four weeks. Unemployment may be defined as a situation in which people who are qualified for jobs, willing to work and willing to accept the going wage rate cannot find job without considerable delay (Bassanin and Duval, 2006).

2.1.2.2. Concepts of Unemployment

Understanding the cause of unemployment has proved to be one of the major challenges of modern macroeconomic. Unemployment (often called voluntary unemployment) would occur in a flexible wage, perfectly competitive economy when qualified people choose not to work at the going wage rate. Voluntary unemployment may be efficient out come in a situation where heterogeneous workers including youth are testing different kinds of jobs and (Serneels, 2004).

The theory of sticky wages and involuntary unemployment hold that the slow adjustment of wages produced surpluses and shortage ion I individual labor market. This theory holds that, cyclical unemployment occurs, because wages are inflexible failing to be adjusting of quick labor surpluses or shortages (Tejvan, 2008).

2.1.2.3. Types of Unemployment

There are four commonly distinguished forms of unemployment

Frictional unemployment: People who are temporary between jobs or students who just completed school and are looking for a job. This form of unemployment is usually short-lived in nature.

Structural unemployment: People who are laid off because technology advances or other structural changes in production took away permanent in nature. Structurally unemployed people need to find work in other industries and usually need to receive training and acquire other skills

Cyclical unemployment: People who are laid off due to a decline in the demand for their product. During recessions, the demand for cars and houses and other durable products decreases. Workers in these industries lose their jobs until demand increases again. This form of unemployment is usually temporary in nature.

Seasonal unemployment: People who are out of work and looking for a job during the off-season. Examples include ice-cream vendors during the winter, schoolteachers during the

summer (they are considered unemployed only if they are looking for a job during this time), and ski-lift operators during the summer.

Full Employment and the Natural Rate of Unemployment

Government economists define full employment, or the so-called natural rate of Unemployment (also referred to as the Non-Accelerating Inflation Rate of Unemployment, or NAIRU), as a situation when all unemployment is structural and frictional. During healthy economic times, there are many jobs available, and cyclical and seasonal unemployment can reasonably be expected to be zero or close to zero per cent.

Generally, frictional and structural unemployment cannot be expected to equal zero at any time.

Whether in good or bad economic times, there are always some people in between jobs (frictional unemployment), and there are always technology changes and companies changing Locations (structural unemployment)

2.2. Other classifications of unemployment

Regional unemployment: regional when structural unemployment affects local areas of an economy, it is called 'regional' unemployment. For example, unemployed coal miners in South Wales and ship workers in the North East add to regional unemployment in these areas.

Classical unemployment: Classical unemployment is caused when wages are 'too' high. This explanation of unemployment dominated economic theory before the 1930s, when workers themselves were blamed for not accepting lower wages, or for asking for too high wages. Classical unemployment is also called *real wage* unemployment.

Demand deficiency unemployment: This is caused by a lack of aggregate demand, with insufficient demand to generate full employment.

Voluntary unemployment: Voluntary unemployment is defined as a situation when workers choose not to work at the current equilibrium wage rate. For one reason or another, workers may elect not to participate in the labor market. There are several reasons for the existence of voluntary unemployment including excessively generous welfare benefits and high rates of

income tax. Voluntary unemployment is likely to occur when the equilibrium wage rate is below the wage necessary to encourage individuals to supply their labor.

Hidden unemployment: Hidden, or covered, unemployment is the unemployment of potential workers that is not reflected in official unemployment statistics, due to the way the statistics are collected. In many countries only those who have no work but are actively looking for work (and/or qualifying for social security benefits) are counted as unemployed.

2.3. The Cost of Unemployment

2.1.7.1 The economic cost

The actual GDP growth can differ sharply from potential GDP growth over periods as long as several years. When the economy grows more slowly than its potential fails to generate enough new jobs for its ever growing labor force. Hence the unemployment rate rises. Conversely, GDP growth faster than the economy's potential leads to falling unemployment rate (Baumol Blinder, 2006).

High unemployment is socially wasteful. When the economy does not create enough jobs to employ everyone who is willing to work, available resources are lost. Potential goods and services that might have been produced and enjoyed by consumers are lost forever. This lost output is the central economic cost of high unemployment, and we can measure it by comparing actual and potential GDP (Baumol B., 2006).

2.3.1. Cost to Individual and Society

Individual problems of unemployment cause lower income and life quality. Also lower self-esteem, leading to stress and erosion of mental health. When the area with unemployment can see increased crime, vandalism and gang activity and can be seen as the opportunity cost of unemployment to the nation (Feldstein, 1997 and Astatike, 2003).

2.3.2. The Human Cost of Unemployment

Years ago job loss means not only enforced idleness and catastrophic drop in income, too often led to hunger, cold, illness, health. High unemployment has been linked to physiological and physical disorders, divorces, suicides and crime consequences when a winner becomes unemployed (Haile, 2003).

Human relation outside the families is seriously affected by unemployed people losses self-respect and influence among the employed may be rejected by working companions and loses pride and confidence. In the end the unemployed may become spiritually disabled (Sharp. Register Left Which, 1988).

2.4. Measurement of Unemployment

To measure are will use to determine unemployment and the success of the labor force has in finding employment or work. The first are unemployment rate and the second is employment rate.

The unemployment rate: - the most popular measure of unemployment is the unemployment rate which determined by dividing the number of unemployment person by the total number of person in civilian labor force (Brown, 1983). Total unemployment (TU) = FU+SU+CU, where FU =Frictional unemployment, SU=structural unemployment and CU= cyclical unemployment. Unemployment rate (UR) = TU/LF, where LF= labor force, TU = Total unemployment. Frictional and structural unemployment level are an avoidable level of unemployment, because of this natural rate of unemployment (NR) = (FU+SU)/LF or NR= (TU-CU)/LF (Mankin, 2002).

The employment rate: - some observed do not to use the unemployment rate, because of some of the measurement problem associated with it instead they use another measure called the employment rate which measure of the people actively working as opposed to the number of willing and available to work. To determine the employed rates the number of employ people is divide by the total population less those people under age of (16) in the labor force. Employment rate= number of employed / labor force *100

2.5. Empirical Review

The study by Yemenu (2003), analyzed the problem of unemployment in the case of unemployment problem. Yemenu has many cost sequence that are harm full for the unemployed and his family ,neighbors and relative, the communities, the government and for the country economy as a whole . Economically, man as a source should optimally be exploited.

Yemenu report explain that, when a man is unemployed he is left idle and that investment made to bring him to the status and he has now will become unnecessary expenditure. Socially his unemployed could be ignored by the society. Moreover, unemployed people will disturb security and all these could b put the country in to for literate than illiterate (ibid).

World bank, (2007) said that, the rapid raise in the labor force created pressure on the labor market and it can be seen as both challenge and opportunity for the Ethiopian government. Also it said that the raising no of educated labor force entering the marked each years as a result of education expansion and internal migration necessitate enhance job creation in Ethiopia.

Ayele, (2006) in its findings said that, unemployment age group, sex and education have taken as the determinant factors. Unemployment by age group is founded to be higher for the younger age except age group (10-14 years). Unemployment by sex is more of a problem for female than male and unemployment education level is more of a problem for disorder (Ayele, 2006)

Abebe (2011), and his research report summery said that migration from rural to urban areas puts on the urban labor force and most casual workers in the towns comes from rural to urban areas in search of better opportunities. He also reported that unemployment affects health, household income, government revenue and GDP and development at large.

3. METHODOLOGY

3.1. Description of the Study Area

The study will be conducted among households in Woliso Town. It found in Southwest Shawa zone and far about 114 km from Addis Ababa. Its astronomical location is 32' north latitude and 37 ° 58' east longitudes with an elevation of 2063 meters above sea level. Woliso Town is located in tropical climate zone and the climate condition is medium that the altitude of the land is weynadega. The relative location or visional position of the town has physically contacts with four Town, namely Bacho, Goro, Wanchi, and Saden- Sodo woreda and one region namely SNNP. In terms of these Town location, Woliso Town is boarded in the North by Bacho, in the west by Wanchi, in the south west by SNNP, in the south by Goro and in the east by Sadden sodo woredas. The total population of Woliso Town in rural and urban are 183391 from those, male and female are 91622 and 91769 respectively. In those, population 95% are living in rural area and economic activities of these woreda is mixed farming system. The main cropping system is mainly practiced in the District. Perennial crops like coffee, taro (godere), avocado, mango and banana. Annual crops maize, bean, pea, sorghum etc. Coffee, khat and maize are the dominant crops.

3.2. Research Design

The research is a quantitative descriptive survey in woliso town on the determinants of unemployment. All respondents were asked the same questions. Questions were framed in a way that is easy to understand using simple English expression.

3.3. Types of Data Required and Data Source

For this study primary data and secondary data were collected from different sources. The primary data was collected from household heads, traders and officers by using questionnaire and check list. Whereas the secondary data for this study was gathered from relevant published and unpublished materials about determinant of unemployment.

3.4. Method of Data Collection

Informal survey were first undertaken to collect the background information of determinant of unemployment and to pretest the questionnaire. Formal survey was conducted using interview, key informants discussion with the household heads, traders and officers.

3.5. Sampling Technique and Sample Size

A combination of different sampling procedure was used to select the samples to successfully meet the objectives of the study. The sample was determined largely by the financial and time constraints. However, effort was made to improve the reliability of the samples by taking care at each level of data collection processes. The sample frame of the study was the list of households in the selected kebeles, which are found in the woliso town. From the total households 100 of them are selected as sample size. A two stage sampling procedure was employed to select the unemployed households. First, select some unemployment kebeles. During the selection, the kebele's unemployment and the accessibility of the areas to travel would be taken into consideration. In the second stage, using the population list of unemployment from sample kebeles, the intended sample size was determined based on probability proportional to size from the respective kebeles the sample respondent would be selected by using random sampling method. It was an appropriate technique. Because it avoids bias of representative and all peoples in the population have an equal chance of being selected. We were select 2 kebeles, 01 and 02 from those kebeles, 16578 total household. The number of population in two kebeles i.e. Kebele 01 and Kebele 02 are 9112 and 7466 respectively. In order to take to take a total sample size relevant to target study we will apply Yaman formula (1967) of $n = N / (1 + N(e)^2)$. In addition to this, we were going to use proportionate sampling that was enabling us in taking samples from each sub strata which are to be selected from the target population.

$$n = N / (1 + N(e)^2)$$

Where, N=Number of target population

n= sample size

e = margin of error occurrence in social science, its value is 10%.

$$n = 16,578 / (1 + (16,578 * 0.01)^2) = 99.99, \text{ which means } 100$$

We have to proportionate sampling to obtain how many respondents are selected from each stratum by using formulas; $n_h = n(N_h) / N$.

Where; n_{hi} = sample size for stratum, N_h is number of households for stratum, N is total target household. So by using the above stratified sampling formula the proportional number of respondent in each kebele is calculated as follows.

$$\begin{aligned} n_{h1} &= n (N_{h1})/N & n_{h2} &= n (N_{h2})/N \\ &= 100(9112)/16578 & &= 100(7466)/ 16578 \\ &= 54.964 \sim 55 & &= 45.03 \sim 45 \end{aligned}$$

From kebele 01 total 55 household 20 unemployed and the remaining 35 employed, and 02 tota 45 household kebele 23 unemployed the remaining 22 employed.

3.6. Method of Data Analysis

The sampling method that the research was used in the study area to select the respondents with simple random sampling techniques. The researcher use simple random sampling for it allows every an individual of the target population to have an equal chance to be included in the respondents and for its free from any personal bias. After relevant data were collected properly by using proposed data collection method, descriptive data analysis was used and this method of data analysis uses specifically tables, percentages and means to analyze data. The variables that was used to describe unemployment both continuous and discrete variables.

From those variables the continuous variable were family size, age, duration of residence and the descret variables were sex, marital status ,unemployed, religion, occupation, education,

4. Results and Discussion of the study

This chapter deals about the findings based on the data which is collected from the woliso town residents who are actually part of active labor force and includes into the sample size of the study by using both primary and secondary source of data.

4.1. Demographic characteristics of the respondent

4.1.1. Unemployed and employed

Table 1 employed and unemployed level of respondent

Unemployed	Freq	Percent
female	25	58.1395
male	18	41.86
Total	43	100
Employed	Freq.	Percent
Male	26	45.61404
female	31	54.3859649
Total	57	100
Over all total	100	100.00

Source: Owen survey, 2019

Table 1 shows that 25 or 58.13% indicates of female unemployed from sex of household while the remaining 18 or 41.86% were male unemployed

4.1.2. Sex of the household

Table 2 distribution of household by sex

Sex of house hold	Freq.	Percent
Female	31	31.00
Male	69	69.00
Total	100	100.00

Source: Owen survey, 2019

As indicated in the above table 2 around 31% of the respondent were females and the remaining 69% of the respondent were males which shows that the male number of the respondent high.

4.1.3. Religion of household

Table 3 Religion of respondent

Religion of house hold	Freq.	Percent
Muslim	29	29.00
orthodox	56	56.00
other	15	15.00
Total	100	100.00

Source: Owen survey, 2019

As indicates on the table 3 the majority of the respondent is Orthodox which consists 56% of the total respondent, secondly Muslim were 29%, the remaining 15% other religion of the respondent.

4.1.4. Distribution of Unemployment by marital status

Marital status often plays an important role in respectively in male and female labor participation rates at least in the central and older ages.

Persons in adequate to work may be found more among the never married man in societies where marriage is almost a rule; their activity rate is consequently lower than married one. On the other hand, the labor force participation rate the adult never married women is often lower because their large engagement in the house and children keeping distribution of unemployment by marital status (woliso town). Table 4 marital status of the household

Sex	Never married	Married	Divorce	Widows	Total
Male	28	21	-	3	52
Female	18	23	-	7	48
Total	46	44	-	10	100

Source: Owen survey, 2019

The above table illustrated that the unemployed individuals under the category never married, constitutes the large share of total unemployed population that is 28%. Those who are married are 21% except in the never married in all the status the unemployed females outnumber those of males. The never married group suffers from high rate unemployment. This is particularly true in young age because the young unmarried people who are still in their parent there can offer long periods of unemployment.

4.1.5. Education of the household

Table 5 Education of the respondent

Education of the household	Frequency	Percent
Illiterate	27	27.00
Literate	73	73.00
Total	100	100.00

Source: Owen survey, 2019

As the data shows that all most above 73% of literate and 27 % were illiterate. This shows that more of the unemployment was literate.

4.1.6. Occupation of the household

Table 6 Occupation of the respondent

Occupation of HH	Freq.	Percent
daily laborer	33	33.00
Farming	21	21.00
Professional	9	9.00
Trade	28	28.00
Other	9	9.00
Total	100	100.00

As shown from table 6 the majority of the respondent 33% was daily laborer, the second 28% were trade, thirdly 21% were farming, lastly professional and other were 18%.

4.1.7. Family size of the household

Table 7 Family size of respondent

Family size of household	Frequency	Percent
1	3	3.00
2	15	15.00
3	12	12.00
4	18	18.00
5	27	27.00
6	12	12.00
7	6	6.00
8	5	5.00
9	2	2.00
Total	100	100.00

Table 7 above shows that the family size of the respondent and its frequency. The family size 1,2,3,4,5,6,7,8,9 and 3,15,12,18,27,12,6,5,2, were family size and frequency respectively of the respondent. From the above family size the most frequent was 5 family size and the least or less frequent were 9 family size.

4.2. Educational distribution of Unemployment

The system of education has failed to prepare students for job opportunities particularly those who had not gone for into the educational leader. The fact that a good deal of the job seekers is with secondary school. Education implies that those people are devoid of any skills required for employment in the civil services and modern sector. A part from this as a matter of maybe a tradition, once students have joined the educational system, they never think of engaging in agricultural and other low grade occupations.

4.3. Unemployment by ways of job search

As it had been stated earlier in the literature review section the unemployment that the unemployed is experiencing could be either voluntary or involuntary. It could be realized that the most frequently used method of search for work was trying to seek work through vacancy advertisements.

The next three important steps taken to enter in to the World of work were checking at work sites, acquiring unemployment card and trying to establish own enterprises. From this fact it can be conclude that most of unemployed needs to be hire in paid employment as few attempts to establish own business.

4.4. Causes of unemployment

Unemployment is said to occur when person's activity seeking for job could not find it. This partly takes place when the economy fails to generate adequate and well-paying job opportunities for the labor force. It is help full to think of unemployment in woliso town having various types of causes. Even if there may be over laps and it is however, difficult to mention all of them. Majority of them are: - educational system, growing of rural urban migration and non-work status of the societies in agriculture.

4.4.1. Educational system

Education is an effective engine of development and prosperity when it is properly disseminated and applied in accordance with the development needs of country. The educational curriculum in Ethiopia is more theoretical not designed to link theoretical knowledge to practical real life problem. Since technical and vocational schools were available in limited amount, generation of formal education and training in Ethiopia has its own problem in term of both quality and quantity. In qualitative terms to the labour force is not only badly trained but also receiving education that fails to match the quantitative requirement of the economy.

Despite the expansion of education in Ethiopia is parallels growth of populations has hindered sufficient reduction of adult illiteracy this is estimated at 77% for female and 66% for males in 1999 gross enrolment rates are still very low even by CSA standards. The Ethiopian educational system should little concern about of students after leaving school. The mismatch

between the qualification of students and the demands of employed has become a serious issue with the growing unemployment school out puts, (MEDaC, 1999). AS the Ethiopian education system is biased towards academic subjects, does not prepare most labor force with required skill to enable them engage in agriculture crafts or in other sector of the economy.

The problem of unemployment of university graduates is increasing over time even if the economy is likely to improve the job opportunity for university graduates, the problem in likely to get were due to the long generation period he or she face in searching for job.

Some unemployment of longer duration it need to be because of in efficiencies in matching vacancies with job seeker actors indicate that educational unemployment is an important problem. This is also same for unemployed in woliso town.

4.4.2. Rural-urban migration

Rural-urban migration is considered one of the most decisive factors to contributing to unemployment via increasing the supply of labor beyond the absorption capacity. Earlier, migration from agriculture sector was considered as a means of supplying urban labor.

On the contrary, migration today is viewed as major contributor factor to urban surplus labor force, which continues to accelerate the already serious urban unemployment problem.

Table 8 Percentage distribution of migration by types of migration in woliso town.

Types of migration and percentage	Migration by sex		
	Male	Female	Total
Urban-Urban	872	700	1572
%	55.47	44.5	
Urban-rural	320	230	550
%	58	41.8	
Rural-urban	1017	1300	2317
%	43.8	56	
Rural-rural	565	459	1024
%	55	44.8	

Source: woliso town administration and statistical Bureau may, 2019.

The above table 8 depicted that the flow of migrant between the urban and rural sector of the woliso town in year 2019, the internal migration types of rural-urban migration is the main factor, which constituted 2,312 or 42.3% of the total immigrant to the woliso town. The second major form of migrating was urban-urban form of movement reflected direct moves between woliso and other areas, it noted that the bulk of these migrant originally moved from the rural area, to the nearby urban centers and stayed therefore some time and then moved to the next higher level urban area and finally to woliso town. The factors that influence the decision of an individual to migrate are various and complex, may be the life quality and wage different between rural and urban area, the expectation of people for the opportunities they will face in urban are optimize both terms of availability of job opportunities and the income (way to be generated). The situation seen in the case of the woliso town unemployment and don't provide opportunities for most of the migrants. Rural-urban migration is therefore one factor that aggravates unemployment in urban centers like woliso town.

4.5. The Cost of unemployment

One of the basic that human life needs to fulfill its basic requirements is his/her access to work. Work is also a source of knowledge and wealth, which as a result requires man to work. Those persons that have not access to both formal and informal sector employment of the economy engage in a bad way of life. They find themselves in absolute poverty a condition of like degraded by disease, malnutrition and dying the society human rights and rules.

In general, unemployment has widespread social, economic, and political consequences.

Social Cost

Health, Crime, and Social relationship of the unemployed are some among the social consequences or costs of unemployment that is discussed as follows.

Health

The relationship between ill health and unemployment is likely direct relationship. Though unemployment is not sufficient factor being socked. That is to mean when an individual becomes out of the World of work, his/her health gets disturbed. Not only the health of the unemployed individual but also the health of community was disturbed.

Psychological wellbeing and mental health of the unemployed point in the same direction, namely in significant number of cases there is a relationship between the experience of

unemployment and deterioration of mental health, more over unemployment could causes stress that also could lead to hopelessness and self-reporting of mental disorders.

Crime

Jading from the increasing rate of unemployment in the woliso town, crime and from the youth activity in the field of investigation, there is and evidence of positive correlation between the increasing rate of rural_urban migration and rising unemployment, crime and associated delinquent behavior such as pocket-picking, house breaking, and armed robbery. Thus, higher unemployment produces an increasing in the prison population, increasing crime and increasing juvenile delinquency.

Table 9 Number of offenders by sex (2015-2019)

Year	Number of Offenders		
	Males	Females	Total
2015	393	80	473
2016	435	101	536
2017	431	111	542
2018	572	266	838
2019	621	305	926

Source: woliso town police commission 2015/19

From the above table, the number of males and females offenders continuously increased between the stated years. This is likely related with the increased amount of youth rural-urban migration that leads to high level of unemployment in woliso town. In all years, the number of male’s offenders is greater than the number of females. This may due to the fact that unemployed males tend to move around. Hence, encouraged to commit crime. As unemployed females tend to stayed at home and care their families.

Economic Costs

Though economies can never grow without some unemployment. But, not can they grow with too much of if prolonged unemployment generally erode human capital and finally involves psychic costs. Some of the major economic consequence will be list as follow:

Underutilization of human resource

Unemployment leads to under-utilization of human resources. If educated school leavers remained unemployed, it leads to wastage of recourse invested to create human capital/ educated them. Unemployed persons consume resources their sharing of resource and products diminishes/affect the saving capacity of the nation which is reflected by per capita income of individuals.

House hold poverty

In woliso `town large size of households are very common, mainly because of the difficulty in finding adequate housing and immigration. The consequences are difficult in decision making process in the house hold, there might be difficulties in allowing different members of the household either to study or pursue education or to contribute to the household needs with their time and work and to participate in the labor market.

5. CONCLUSION AND RECOMMENDATION

5.1. Conclusion

The job opportunities being created in woliso town are not compatible with the number of job seekers coming out from the educational system is criticized that it is more theoretical and the number of vocational and training schools is limited so that it could not provide the student with employable skills.

The 2008 census shows, among the residence of the woliso town 18.9% were migrants. This magnitude of the rural urban migration together with the natural population increase greatly exceeded the absorptive capacity of the economy or created job opportunities. Thus, the growth of the economy has not succeeded in absorbing new entrants into woliso town labor force. Whatever, the current situation, however, there is evidence that the problem of unemployment will persist at high level in the woliso town. The structural composition of unemployed shows the vulnerability of different classes of people to unemployment. Regarding the age and sex criteria, most of the unemployed of woliso town are younger generations. Recent migrants are more exposed to unemployment than individual who have resided in woliso town for relatively long periods. Moreover, the composition of unemployed in single (never married) youth most of whom could be living with their parents.

The unemployment problem has many consequences that are harmful for the unemployed, his family, his neighbor, and relatives. Socially, the unemployed could be ignored by the societies, his psychology could be affected, his mental for the society as whole, crime could be expanded in the woliso town and could be expanded in the woliso town and could endanger political stability if it is massive which all these could put the town into automatic

5.2. Recommendation

Unemployment in Ethiopia particularly woliso town has reached a crisis level and is becoming more frustrating even to the security and stability of the town and the society as whole. Since, Urban and rural unemployment is a reflection of the poor performance of the Ethiopian economy, special initiatives targeted at employment to bring about fundamental positive changes should be undertaken.

Improving rural economy and improving industrial and service sector can open new employment opportunities for labor force through introducing business development programs.

Developing the urban and rural informal sector through introducing business development by adopting appropriate measures such as introducing business development services, appropriate skill training, technology and improved access to credit by unemployed to undertake various income generating activities and self-help programs.

Developing and mobilizing human resources through the improvements of its educational and training system. More important practical educational and skill development will enable the individual to obtain employable skills.

Retraining programs are important for the unemployed to develop a sense of confidence and be able in the labor market. The cause would have the advantage of withholding some of the unemployed from labor market for limited period then of re-training them equipped with a skill that could increase both employment and job creation obviously, the skills to be given to those persons would be given to attend that they should be compatible with resources availability of the nation.

Active participation of non-government Organization; Such organizations should take appropriate measures in terms of research conducting, policy and plan formulation and implementation-coordination of the organizations and individuals highly needed to increase people's awareness to unemployment and other economic issues in order to influence individuals to create job by themselves.

Realization of the entire above proposition needs moral, mental, and argent concern of every men and women. This would be effective by developing dynamic leadership, perfect integrity and effective system of communication, strong confidence and placing the right person for the right job at the right time.

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Specific questions

8. Employment status A/ Employed b/ Unemployed
9. Duration of residence
 A/ less than 10 years b/ between 11-20 years c/ above 20years
10. If question number 9 is 'A', what is your job?
 A/ government employee b/ non-government employee c/ other/
11. Is the problem of unemployment exists in this town? A/ yes B/ No
12. If question number 11 is 'yes', what do you think that, the reason for a person being unemployed? A/ low payment B/ Being illiterate C/ choice of working area
 D/ change of weather conditions E/ choose of woe
13. Do you believe problem of unemployment is really the problem in urban areas? A/ yes
 B/ No
14. If yes for question no. 13 what may be the reason for being unemployed as you think?
15. Which portion of population is more unemployed in your area?
 A/ educated person that have no experience of work
 B/ illiterate person that have no ability to create work C/ both
16. What is the consequence of unemployment rate in...?
 A/ increasing interdependence B/ increasing the number of gang stet and thieves
 C/ to make the growth of town to back warded
 D/ leads the migration of residence from their home to another place in order to find job
 E/ all
17. What are the factors affecting unemployment rate in woliso town? Explain...
18. What are the causes of unemployment in this area?
 A/ increasing the number of population that leads to increase number of labor force
 B/ increase the number of rural-urban migrants
 C/ lack of investment in the town
 D/ lack of industrial establishment E/ all
19. What type of problem may arise, due to the existence of unemployed?